



# Community College Contributions

## EXECUTIVE SUMMARY

The “jobs gap”—or number of jobs needed to return to pre–Great Recession levels—stood at 11.3 million in late 2012, while 12.8 million Americans were unemployed. Carnevale, Smith, and Strohl (2010), however, estimated 46.8 million new jobs will need to be filled by 2018, of which 13.8 million will be new jobs and 33 million will be jobs open due to retirement. The types of industries expected to grow will shift in occupational expectations toward those needing abilities associated with greater levels of educational attainment, so these jobs will require college-educated workers. Factors contributing to the need for college-educated workers include creative destruction leading to a churn of skills needed by the workforce, a continuing increase in the wage premium associated with differences in educational attainment, the increasingly tough road to economic stability for low-income students, and the training provided in internal labor markets for workers that are more educated. Together these trends suggest that access to not only a job, but also to the training to keep that job, is augmented by higher levels of educational attainment.

Simply put, America’s community colleges are the brokers of opportunity for a stronger middle class and more prosperous nation. The value of community colleges has repeatedly been detailed in broad brushstrokes. Belfield and Bailey (2012) reviewed twenty studies on the earnings effects of a community college, concluding, “[T]his review affirms that there are strong positive earnings gains from community college attendance and completion, as well as progression to a 4-year college” (p. 60). In addition, the latest national estimate of the return on investment to state and local governments from investing in community colleges in 2007 was 16.1%.

While these broad-brush pictures of the community college contribution are important, the community college is an intricate institution offering pathways to credentials, degrees, and retraining opportunities for those with and without college credentials; they operate as engines of economic development. To date, the multifunctional nature of the community college mission has limited our ability to understand these colleges’ role in sustaining the nation’s general welfare. This brief provides a better opportunity to understand community colleges’ role, and frames private and public economic returns of the community college movement in three ways:

1. *The community college as a launching pad.* Community colleges serve as a starting point for students in terms of educational progression—the lockstep mentality that

dominates considerations of educational attainment. They also accelerate learning through early college experiences and transfer opportunities.

2. *The community college as a (re)launching pad.*

Community colleges serve as providers of knowledge and skills to members of the community when they need them, and in ways that they need them, often for those who have already been successful in college.

3. *The community college as a local commitment.* Community colleges serve local purposes, focusing on the needs and demands of the communities they serve.

As mentioned above, the workforce of the future will increasingly rely on occupations that require college-educated workers, and many of those workers will need the education and training provided at the subbaccalaureate level to enter a field, and in some cases to maintain job tenure. Given that there are numerous public and private returns associated with educational attainment, it is therefore prudent to align fiscal resources with the workforce of the future.

It is unfortunately the case that community colleges are funded in a way that allows them to spend less than a third of the amount of education and general funds that a private research university is able to spend on a student. In fact, while community colleges serve nearly half of undergraduates, they have historically received approximately 20% of state tax appropriations for higher education. Not surprisingly, research has shown that educational attainment rates improve with increases in state fiscal support. If increasing educational attainment is a true state priority, commensurate fiscal support must follow.

Community colleges are not the only institutions of higher education to suffer from large disinvestments in higher education by the state. Overall, state fiscal support for public higher education has been on a long-term downward slope; in 2011 educational appropriations per full-time-equivalent student were at their lowest in at least two decades.

This brief provides a framework and supporting data to detail some of the public and private benefits to the various community college missions. In order to continue to provide these benefits and fill-in where other opportunities for education and training once stood, public investments in the education and training community colleges provide need to equalize and stabilize, if not increase.